

Message Text

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FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC NIACT IMMEDIATE 0875

S E C R E T SECTION 1 OF 2 BRASILIA 2585

NODIS - STADIS

E.O. 11652: XGDS-4
TAGS: OVIP, ENRG, BR
SUBJECT: SIMONSEN VISIT - TREATMENT OF NUCLEAR ISSUE

REFS: (A) BRASILIA 2474 (B) BRASILIA 2583 (C) BRASILIA 2584
(D) BRASILIA 2517

1. SUMMARY: THIS TELEGRAM SETS FORTH EMBASSY'S COMMENTS
ON FINANCE MINISTER SIMONSEN'S REPORTED DESIRE TO OPEN
A DIALOGUE ON HIS OWN ABOUT THE NUCLEAR ISSUE DURING
HIS FORTHCOMING VISIT TO WASHINGTON. END SUMMARY.

2. THE EMBASSY HAS GIVEN CAREFUL THOUGHT TO THE QUESTION
OF WHETHER, AND IF SO HOW--ON THE BASIS OF WHAT IS
KNOWN TO US HERE--THE US SHOULD RESPOND TO SIMONSEN'S
INITIATIVE (REFTEL A).

3. WE BELIEVE THE LUIS MAGALHAES LINS' PRESENTATION IS
AUTHENTIC AND, AT LEAST IN ITS ESSENTIAL ELEMENTS, PROBABLY
AN ACCURATE RENDERING OF SIMONSEN'S THOUGHTS. A DESIRE TO
MOVE TOWARD A SOLUTION IS CONSISTENT WITH WHAT WE HAVE
KNOWN OF SIMONSEN'S MODERATE AND RESPONSIBLE PROFESSIONAL
AND PERSONAL ATTITUDE AND INTEREST IN GOOD RELATIONS
WITH THE US. (ON THE BASIS OF EXPERIENCE, WE CONSIDER
MAGALHAES LINS DISCREET, AND THE GUARDED NATURE OF
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REFTEL B WAS RELATED TO THE NEED TO BE GENERAL AND
NON-SPECIFIC AT THIS STAGE.) FROM WHAT WE KNOW AT
PRESENT, SIMONSEN, AT LEAST OSTENSIBLY, IS ACTING
ON HIS OWN. THIS IMPRESSION IS REINFORCED CONSIDERABLY
BY THE SECOND DEXTER-MAGALHAES LINS CONVERSATION
(REFTEL C). ON THE OTHER HAND, WE RECOGNIZE THE
OUTSIDE POSSIBILITY THAT SIMONSEN IS ACTING ON PRESIDENT

GEISEL'S SPECIFIC DIRECTION, OR THAT OF THE ADVISERS AROUND HIM, TO EXPLORE ON A PRELIMINARY BASIS THE POSSIBILITIES AND ELEMENTS OF A SETTLEMENT. 85 8 3;3,)3 09 8?3 ?75 58)) :9,:38;-?)3, DESPITE MAGALHAES LINS' REFERENCES TO AN END RUN AROUND SILVEIRA, THAT SIMONSEN IS ACTING AS PART OF A GOB-WIDE PLAN TO WHICH SILVEIRA IS PRIVY. AN OBVIOUS INTERMEDIATE SUPPOSITION WOULD BE THAT SIMONSEN IS ACTING WITH GEISEL'S SAFEGUARDED ACQUIESCENCE.

4. THERE IS ALSO THE POSSIBILITY THAT SIMONSEN, ACTING ON HIS OWN AND NOT DIRECTLY INVOLVED IN THE NUCLEAR ISSUE BUT ANXIOUS TO PROMOTE A SOLUTION, MISUNDERSTOOD PRESIDENT GEISEL. IN THE FIRST MAGALHAES LINS-DEXTER CONVERSATION, THERE ARE, DESPITE THE CLAIM THAT GEISEL WOULD ATTACH NO "SPECIFIC CONDITIONS" TO BRAZIL'S ACCESSION TO THE NPT, HINTS OF A DEAL, BASED ON BRAZIL'S ACCESSION (SEE FOR EXAMPLE REFTTEL A, PARA 4). GEISEL AND HIS ADVISERS PRESUMABLY KNOW THAT NPT ADHERENCE IS NOT, AT THIS STAGE, THE CENTRAL ISSUE AND THUS THAT MOVEMENT ON THIS ASPECT CANNOT BY ITSELF YIELD A FULL SOLUTION. FURTHERMORE, EVEN SILVEIRA HAS IN THE PAST SUGGESTED PRIVATELY AND PUBLICLY THE POSSIBILITY OF BRAZIL'S ACCESSION TO THE NPT, PROVIDED THE TREATY IS APPROPRIATELY CORRECTED AND REVISED. GEISEL COULD HAVE BEEN MERELY REPEATING OR REFERRING IN A SHORT-#-, \$ 2-6 59 5#8)9,& 5-,\$8,& 8);384- 09 8589,, AND SIMONSEN MAY HAVE NOT BEEN AWARE OF THE CONDITIONAL NATURE OF THE REFERENCE TO NPT RATIFICATION.

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TM A RECEPTIVE US ATTITUDE TOWARD SIMONSEN'S INITIATIVE ENTAILS SOME RISK BUT, WE THINK, NOT A SERIOUS ONE. ESSENTIALLY, THE RISK IS THAT SILVEIRA WILL FIND OUT ABOUT SIMONSEN'S APPROACH AND, REALIZING THAT THE MATTER HAS GONE "OUT OF CHANNELS," WILL BE FURTHER INFLAMED. FROM OUR SIDE, WE BELIEVE THIS PROBLEM IS MANAGEABLE IN THAT WE WOULD BE SIMPLY RESPONDING TO A BRAZILIAN APPROACH. WHATEVER FOLLOW-ON STEPS MAY OCCUR AFTER THE INITIAL SIMONSEN CONTACT IN WASHINGTON WILL HAVE TO BE HANDLED WITH GREAT CARE AND CAUTION IN THE FACE OF THE UNORTHODOX AND CIRCUITOUS CHANNELS INVOLVED. IF IT TURNS OUT THAT SIMONSEN CAN PLAY A REALLY USEFUL CONTINUING ROLE--AND THIS, IT WILL BE UNDERSTOOD, IS BY NO MEANS CERTAIN--OUR OBJECTIVE SHOULD BE TO INCORPORATE WHATEVER MAY COME OUT OF THE SIMONSEN EFFORT INTO THE OVERALL "ORTHODOX" DISCUSSIONS.

6. ON THE OTHER HAND, WE SEE BENEFITS IN RESPONDING

POSITIVELY TO SIMONSEN'S OVERTURE. IN THE FIRST PLACE, IT IS JUST POSSIBLE THAT WE WILL BE GIVEN SOME INSIGHT INTO BRAZILIAN THINKING ON A SOLUTION. SIMONSEN'S MESSAGE THROUGH MAGALHAES LINS COULD BE A SIGN--THE FIRST SERIOUS ONE, TO OUR KNOWLEDGE--THAT THE GOB, AT ENIOR LEVELS, IS BEGINNING TO RECOGNIZE THE NEED OF MOVING TO A MORE FLEXIBLE POSITION. SECONDLY, EVEN IF THE GOB ACCEPTS THE PENDING US PROPOSAL FOR A "NON-\$8 :7 89,," IT WOULD BE DESIRABLE TO HAVE AVAILABLE OTHER CHANNELS TO CONVEY OCCASIONAL MESSAGES ON US ATTITUDES AND POSITIONS DIRECTLY TO THE HIGHEST LEVELS OF THE GOB, SINCE SILVEIRA WILL TAKE PAINS TO INSURE THAT HE AND HIS MINISTRY CONTROL THE NON-DISCUSSIONS. SIMONSEN, WITH HIS DIRECT ACCESS, COULD JUST CONCEIVABLY BECOME A USEFUL CHANNEL IN THESE CIRCUMSTANCES. THIRDLY, THE ADMINISTRATION IN ANY CASE WOULD NOT WISH TO DISCOURAGE SIMONSEN AND HIS FRIENDS WHO STAND FOR MODERATION AND SECRET

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CONCILIATORY POLICIES, IN THEIR EFFORT TO MOVE GEISEL TOWARD A MORE FLEXIBLE POSITION. THIS IS IN ITSELF REASON ENOUGH TO GIVE AN APPRECIATIVE, IF GENERAL, RESPONSE. (IN THIS CONNECTION, NOTE THE ROBERTO CAMPOS INVOLVEMENT, WHICH RAISES THE POSSIBLE EXISTENCE OF A GROUP OF A LIKE MIND WITH SIMONSEN THAT IS INTERESTED IN PROMOTING A SETTLEMENT--REFTEL C).

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S E C R E T SECTION 2 OF 2 BRASILIA 2585

NODIS - STADIS

7. IN SUMMARY, NOTWITHSTANDING THE EXISTENCE OF UNCERTAINTIES AND RISKS, WE CONSIDER IT IMPORTANT THAT DURING SIMONSEN'S VISIT THE US SIDE BE RECEPTIVE AND POSITIVE WITHOUT, HOWEVER, IN ANY WAY COMPROMISING OR QUALIFYING THE ADMINISTRATION'S BASIC POSITION. WE THINK THAT FOR NOW THE BURDEN OF A LIMITED SUBSTANTIVE EXCHANGE, IF ANY, SHOULD FALL LARGELY ON SIMONSEN'S NORMAL US INTERLOCUTOR, SECRETARY BLUMENTHAL, BOTH BECAUSE OF THE RISK THAT SILVEIRA WILL LEARN OF SIMONSEN'S INITIATIVE AND BECAUSE SIMONSEN HIMSELF SEEMS TO PREFER IT THIS WAY. ALSO, A PRIVATE BLUMENTHAL-SIMONSEN EXCHANGE, I.E., WITHOUT AMBASSADOR PINHEIRO, BEFORE, DURING OR AFTER THE LUNCHEON MEETING ON APRIL 6, WOULD SEEM TO BE THE EASIEST WAY TO GIVE SIMONSEN THE OPENING FOR WHICH HE HAS ASKED. SHOULD SIMONSEN FAIL TO SEIZE THE OPPORTUNITY, WE BELIEVE SECRETARY BLUMENTHAL SHOULD TAKE THE INITIATIVE BY ASKING SIMONSEN IN THE NORMAL COURSE OF A PRIVATE EXCHANGE ABOUT HIS GENERAL VIEWS ON THE NUCLEAR ISSUE. (MAGALHAES LINS' MESSAGE DOES NOT SEEM TO TAKE ACCOUNT OF THE PRESUMED PRESENCE OF AMBASSADOR PINHEIRO AT THE SIMONSEN-BLUMENTHAL TALK. IN ADDITION, THERE IS NO INDICATION THAT ANY OF SIMONSEN'S OWN ADVISERS HAVE KNOWLEDGE OF HIS INITIATIVE, AND THUS NO MENTION CAN SAFELY BE MADE TO ANY OF THEM OF THE SUBJECT AT THIS TIME.)

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IM WE DOUBT THAT SIMONSEN WILL BE BRIEFED TO TALK ON THE NUCLEAR ISSUE IN ANY DETAIL OR TO SET FORTH IN A SPECIFIC WAY BRAZILIAN TERMS FOR A SETTLEMENT AND THE LIMITS OF BRAZILIAN FLEXIBILITY; IN FACT, WE DO NOT THINK HE HAS ANY INTENTION OF ENGAGING IN SUCH DETAILED DISCUSSION. SECRETARY BLUMENTHAL'S ROLE THUS SHOULD BE TO PROBE JUST WHAT SIMONSEN MAY HAVE TO SAY. JUDGING FROM MAGALHAES LINS' COMMENTS (REFTEL C), SIMONSEN DOES NOT EXPECT A SPECIFIC REPLY FROM SECRETARY BLUMENTHAL AT THIS TIME.

9. OUR IDEA OF AN APPRECIATIVE, RECEPTIVE RESPONSE BY SECRETARY BLUMENTHAL TO ANY SPECIFIC IDEAS OF SIMONSEN'S WOULD BE ALONG THESE LINES: I WELCOME WHAT YOU HAVE SAID AS A MEANINGFUL FORWARD STEP IN THIS IMPORTANT AND DIFFICULT MATTER. I ASSURE YOU THAT I WILL PASS YOUR COMMENTS ON IMMEDIATELY TO MY CABINET COLLEAGUES WHO ARE DIRECTLY INVOLVED. I KNOW THAT THEY WILL STUDY THEM WITH GREAT CARE AND WITH GREAT DISCRETION AS A POSITIVE ELEMENT IN MOVING TOWARD A SOLUTION.

10. WE STRONGLY RECOMMEND THAT SECRETARY BLUMENTHAL NOT RPT NOT REFER TO THE "NON-DISCUSSION" PROPOSAL. WE ESTIMATE THAT, IN WEIGHING THE US PROPOSAL, THE GOB WILL BE VERY SENSITIVE TO US DISCRETION, THAT IS, TO OUR FIDELITY TO THE CONFIDENTIALITY OF THE PROPOSAL AND THE TALKS THEMSELVES. THIS COULD BE A DECISIVE CONSIDERATION FOR THE GOB, SOME ELEMENTS OF WHICH MAY BE SUSPICIOUS THAT THEY ARE BEING "SET UP" BY THE USG, WHICH WILL TRY TO COMPROMISE THEIR POSITION BY LEAKING THE "NON-DISCUSSIONS." (ON A SEPARATE BUT DIRECTLY RELATED MATTER, THE EMBASSY HOPES THAT THE USG HAS NOT INFORMED AND WILL NOT INFORM THE FRG OF OUR INITIATIVE; THE DECISION WHETHER TO DO SO SHOULD BE SECRET

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LEFT TO THE GOB WHICH, TO AVOID WEAKENING ITS POSITION VIS-A-VIS THE FRG, MAY PREFER NOT TO REVEAL SUCH DISCUSSIONS TO ITS GERMAN PARTNER.)

11. SINCE WE ARE GOING ON THE OPERATING ASSUMPTION THAT SIMONSEN IS EITHER ACTING ENTIRELY ON HIS OWN OR ON THE BASIS OF A DISAVOWABLE BRIEF FROM GEISEL, WE JUDGE THAT HE SHOULD AT NO TIME MEET WITH IDENTIFIABLE US NUCLEAR EXPERTS EITHER AT TREASURY OR THE STATE DEPARTMENT; WE CONSIDER ANY ATTEMPT TO SET UP SUCH MEETINGS UNWISE AND PREMATURE. IF, AS IS MOST UNLIKELY IN OUR OPINION, SIMONSEN IS PRIMED WITH ACKNOWLEDGED PRESIDENTIAL AUTHORITY TO DISCUSS DETAILED PROPOSALS, THEN THIS INJUNCTION COULD BE RELAXED.

12. WITH RESPECT TO CONTACTS AT THE DEPARTMENT OF STATE, WE STAND BY OUR EARLIER RECOMMENDATION THAT SIMONSEN BE RECEIVED BY THE SECRETARY AT LEAST BRIEFLY AND THAT, IF THIS IS NOT POSSIBLE, A MEETING WITH THE DEPUTY SECRETARY BE ARRANGED (REFTEL D). THESE WOULD BE ESSENTIALLY COURTESY CALLS INTENDED TO ENHANCE SIMONSEN'S STATURE AND TO INDICATE THE IMPORTANCE WE ATTACH TO HIS VISIT. ANY SUBSTANTIVE EXCHANGES SHOULD, IN OUR VIEW, BE RESTRICTED TO ECONOMIC AND FINANCIAL MATTERS. ONLY IN THE EVENT THAT SIMONSEN HIMSELF SHOULD RAISE THE NUCLEAR ISSUE SHOULD IT BE DISCUSSED AND THEN IN ONLY GENERAL TERMS. WE BELIEVE WE SHOULD BE HYPERCAUTIOUS TO AVOID "BURNING" HIM. WE REALIZE THAT THIS WOULD BE AN OPPORTUNITY TO PUSH FOR A FAVORABLE REPLY TO THE "NON-DISCUSSION" PROPOSAL, BUT WE BELIEVE THAT THE OPPORTUNITY SHOULD BE FOREGONE.
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